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In the Supreme Court of the United States.

OCTOBER TERM, 1904.

JOSEPH L. HARLEY
v.
THE UNITED STATES. } No. 195.

APPEAL FROM THE COURT OF CLAIMS.

BRIEF FOR THE UNITED STATES.

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STATEMENT OF THE CASE.

In November, 1869, the Secretary of the Treasury gave orders that certain valuable securities should not be printed in the Bureau of Engraving and Printing until the presses should be fitted with reliable registers, to register the number of impressions made. The appellant was then assistant master machinist in the Bureau, but it was not a part of his duty to make inventions. Within his own time and at his own cost he made complete drawings of a register, and brought them to the Chief of the Bureau, who was then endeavoring to devise or procure a trustworthy form of register, as desired by the Secretary. The Chief of the Bureau ordered a register to be immediately made according to the appellant's drawings, the former

knowing that the device as shown in the drawings was the appellant's own invention. (Rec., 9–11.)

The register having been made at the Government's expense, and having been found satisfactory upon trial, the Chief of the Bureau proposed to take the appellant to the Secretary of the Treasury to explain the register to him. The appellant objected, and stated that he wished to obtain a patent for his individual protection, before exhibiting his device, and the Chief of the Bureau replied, "Certainly; I will see that you are protected." The appellant, then tacitly consenting, was taken before the Secretary, and explained to him the operation of the register, the Secretary being informed that it was the appellant's invention. The Secretary approved the design of the register, and directed that such registers should be made and attached to the presses in the Bureau. (Rec., 11.)

Before the registers so ordered were manufactured, the appellant stated that he wished first to secure a patent, and the Chief of the Bureau introduced him to a patent attorney, who prepared an application on which a patent was granted to the appellant on March 1, 1870, for the register as devised by him. The attorney having informed the appellant at the start that the manufacture and use of registers in the Bureau would not interfere with his procuring a patent, the latter made no further objection, and the registers were manufactured and used on all the plate-printing presses at the Bureau. (Rec., 11.)

On the part of the appellant it was supposed and understood that he would be entitled to compensa-

tion for the use of his invention, and that it would be allowed and paid by the Secretary of the Treasury; but on the part of the Secretary and the Chief of the Bureau it was supposed and understood that the appellant, being an employee of the Bureau, would neither expect nor demand remuneration. The appellant never gave notice to the Secretary of the Treasury or the Chief of the Bureau that he would demand royalty or remuneration for the use of his invention until July 24, 1884, when this suit was brought, although a large number of registers of the appellant's invention were continuously in use at the Bureau throughout this entire period. (Rec., 11.)

On December 21, 1903, the Court of Claims entered a judgment dismissing the petition, whereupon this appeal was taken. (Rec., 14.)

BRIEF OF ARGUMENT.

The appeal in this case raises a single question, viz, whether a contract to pay royalty can be implied. The findings state that the appellant objected to having the Government make and use his invention before it was patented, but that after the patent attorney explained that such manufacture and use would not prevent his obtaining a patent he "raised no further objection to the registers being manufactured and used, and tacitly acquiesced in the same." (Rec., 10.) They also state that—

> There was no agreement or understanding between the parties in regard to royalty or the payment of remuneration for the use of the

> claimant's invention in the Government's printing and engraving other than such as may be inferred from the preceding conversations. On the part of the claimant it was supposed and understood that he would be entitled to compensation, and that it would be allowed and paid by the Secretary of the Treasury. But on the part of the Secretary and Chief of the Bureau it was supposed and understood that the claimant, being an employee of the Treasury Department, would neither expect nor demand remuneration. (Rec., 10.)

It is impossible to imply from these facts a contract to pay royalty, whether the belief of the Government's officers was justified or not. If it was justified, then such a contract was out of the question; but in any event their belief existed and can not be disregarded, so that even if they were not justified in holding it, the manufacture and use of the registers would be merely an infringement (unintentional indeed, but none the less actual), and there would still be no ground for implying a contract to pay royalty.

The Secretary of the Treasury was the only Government officer who could have made an express contract for the right to make and use the registers, and he neither did nor said anything from which a contract can be implied.

No contract on the part of the Government can be implied unless the officer concerned had authority to make an express contract. (*Pitcher* v. *United States*, 1 C. Cls. R., 7.) In the present case the only officer who

had received such authority was the Secretary of the Treasury, to whom it had been expressly given, as follows:

> That the Secretary of the Treasury be, and is hereby, authorized, in case he shall think it inexpedient to procure said notes, or any part thereof, to be engraved and printed by contract, to cause the said notes, or any part thereof, to be engraved, printed, and executed in such form as he shall prescribe, at the Treasury Department in Washington, and under his direction; and he is hereby empowered to purchase and provide all the machinery and materials, and to employ such persons and appoint such officers as may be necessary for this purpose. (Act of July 11, 1862, sec. 2; 12 Stats., 532.[a])

In order to establish a contract, therefore, the appellant must show transactions with the Secretary of the Treasury from which a contract should be implied, and the acts of the Chief of the Bureau are only of importance as those of the natural intermediary between the Secretary and a man in the appellant's position. The Government cannot be responsible for anything said or done by the Chief of the Bureau, or for his knowledge of anything said or done by the claimant, unless the Secretary be fairly chargeable with such knowledge of the Chief of the Bureau, or with the things said or done by him.

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[a] This section was substantially reenacted as section 3577 of the Revised Statutes; but as that was subsequent to the adoption of the appellant's device, the original section is referred to.

In appellant's brief (p. 6) it seems to be contended that because the Secretary of the Treasury had power "to employ such persons and appoint such officers as may be necessary" for the purpose of engraving and printing under the act of 1862, and had appointed the Chief of the Bureau accordingly, therefore the Secretary must be held to have contracted through the Chief in the present case. It is submitted that the premises do not warrant the conclusion contended for. That the Secretary could have authorized the Chief to contract for the use of the register may be true, but no such authority was given in the present case, and it is manifest that the mere general authority of the Chief to superintend the affairs of the Bureau can not extend to the making of contracts for the payment of royalties on patented inventions. The existence of any such general power in a mere head of a bureau, to be exercised solely as he might see fit, would be utterly at variance with our long established system of departmental administration. Contracts are made by or under the express direction of the heads of Departments, saving only when immediate delivery or performance is required by the public exigency, and there is no time to follow the regular course.

Moreover, the right to manufacture and use a patented type of register manifestly comes within the general designation of "supplies or services," and hence within the provisions of the act of March 2, 1861, section 10 (12 Stats., 220), now section 3709 of the Revised Statutes, reading as follows:

> All purchases and contracts for supplies or services in any of the Departments of the Government, except for personal services, shall be made by advertising a sufficient time previously for proposals respecting the same, when the public exigencies do not require the immediate delivery of the articles or performance of the service. When immediate delivery or performance is required by the public exigency, the articles or service required may be procured by open purchase or contract, at the places and in the manner in which such articles are usually bought and sold, or such services engaged, between individuals.

It does not appear that any public exigency existed to prevent the Secretary of the Treasury from advertising for proposals for registers, or for the right to make and use them, in the regular way required by that section; and as the Secretary can not be conclusively presumed to have intended to violate the law, the fact that he never advertised for such proposals is conclusive evidence that he never had any idea of buying the right to use this register at all, but honestly believed that the appellant had simply put his device at the service of the Government, as a diligent and faithful public servant might well be expected to do. Grant, for the sake of the argument, that this belief was not justified, and even then the appellant is merely driven to the other horn of the dilemma, viz, that the Secretary used, without a contract, and without any intention to make a contract, property which he ought to have contracted for, or in other words that, through

heedlessness, he infringed the appellant's patent. Such a course might have been reprehensible on the Secretary's part, but it would give the claimant no standing in the Court of Claims.

Even if it could possibly be held that section 10 of the act of 1861 did not apply to a contract for the right to manufacture and use a patented device, the facts of the case, it is submitted, amply justified the Secretary of the Treasury (Secretary Boutwell, who so recently passed away, full of years and of honors) and the other officers of the Government in their belief that no royalty was to be paid. These facts are four, viz, that the appellant was in their employ, that he made the invention after they had announced that they wished a register, that all the registers were made under his supervision, and that from early in 1870, when the appellant first showed his drawings to the Chief of the Bureau, until the filing of the petition on July 24, 1884, a period of fourteen years and a half, the former never made the slightest suggestion that he wished or expected any royalty to be paid him.[a]

It is not contended that the mere fact that the appellant made no demand for royalty at the very first estops him from claiming it at any time thereafter. Doubt-

[a] The opinion says (Rec. 12, foot of page): "The work of introducing his device into the press room went on for seventy-three months, and until the Bureau had attached and used registers of his device amounting to an aggregate of 14,432. Then the claimant spoke." This is at variance with the facts shown in the findings, the learned Chief Justice having overlooked the fact that the seventy-three (properly seventy-two) months, during which the registers sued for were used, were merely the six years immediately preceding the bringing of the suit, and that the registers had already been used for about eight and a half years before that period began. The claimant did not "speak" until fourteen years and a half

less the appellant was entitled to a reasonable time within which to choose whether he would assert, as against the Government, his rights as patentee, and force it either to make a contract with him or use some other register, or whether he would assert those rights only against outside parties, and would give the Government the benefit of an invention which he had undoubtedly made *in consequence of* his position in the Bureau, and thus win the esteem and regard due to every faithful public servant who cares more for the good of the service than for the precise number of dollars which are paid him for his work. Such reasonable time was, however, long past before the appellant made his first demand, his silence having lasted until nearly fourteen years and a half after the patent issued, and until all possibility of claim for use of the registers during a period of nearly eight years and a half had been barred by the statute of limitations, even if such a claim had been at one time possible. Surely, as regards that daily use of registers which is covered by this suit, it may be stated with confidence that notice of an intention to claim royalty comes too late.

Again, it would conceivably have been another question had the appellant at any time simply given

(not seventy-three months) had elapsed. The number 14,432 is many times greater than the whole number of registers manufactured and used. The claim is not for the number manufactured and used, but for the number used on each working day.

Moreover if "the work of introducing his device" means the work of equipping all the presses with registers, the statement that this "went on for seventy-three months" is unwarranted by the findings and contrary to the fact. It did not take very long to make registers for all the presses, and after that was done new registers were required only to take the place of any that broke down, or for any new presses that may have been added.

notice that he would thereafter claim royalty, and had ultimately proceeded to sue for such after-accruing royalty, but he has done nothing of the sort. At the time he gave notice, his patent had a little over two and a half years left to run, and the suit is exclusively for the use of registers used *before* the notice was given, so that a marked peculiarity of the present case is that the appellant has not merely sued for the use of registers made in the belief that no royalty would be claimed, but that the very use sued for was a use which actually took place in consequence of that belief, and before the appellant took any steps to shake that belief.

It is submitted that in such a case only the very clearest evidence of facts which ought to have prevented a reasonable man from entertaining the belief which the Government's officers are proved to have held, would warrant the court in holding that such belief was not justified.

The appellant never notified the Government's officers of any intention to claim royalty.

The leading authority in regard to the duty of notice in cases like the present is *Gill* v. *United States* (160 U. S., 426). The court below points out some of the resemblances between that case and the present one, but further says:

> In the *Gill* case it was said that the device when brought to the attention of the officers was simply "the committal of a thought to

> paper," and that its complicated parts were such that no one could say the device was valuable or that it would not require years of modifying and perfecting to make its value apparent, and that the Government bore the expense of bringing the invention to the test of practical operation. In this case the device was exceedingly simple; it was perfectly evident that it would be operative; the cost to the Government of making a register was too trivial, both in time and money, to form a consideration, and was done voluntarily by the superintendent and not at the solicitation of the claimant. (Rec., 12.)

It is submitted that a careful comparison of the two cases will show that few, if any, of the distinctions to which the court below alluded really exist. The statements that Gill's inventions, when brought to the attention of the Government's officers, were merely "the committal of a thought to paper," and that "the complicated parts were such that no one could say the device was valuable or that it would not require years of modifying and perfecting to make its value apparent," are not found in the opinion of this court in the *Gill* case, but only in that of the court below, and the former opinion does not indicate that this court had any such ideas as regards any of the inventions involved in that case. Moreover, the decision of this court in *Gill* v. *United States* was not confined to cases of inventions which could only be constructed at considerable cost. Gill had not brought suit for the use of a single invention, but for the use of six different in-

ventions, one of which (the priming tool, covered by patent No. 257,860) evidently cost less to construct than one of the registers in the present case, while another (the cartridge anvil, covered by patent No. 220,472) is for a little piece of metal about one-sixth of an inch in diameter, and one-twelfth of an inch thick, the cost being very trifling. The opinion of this court, delivered by Mr. Justice Brown, gives due weight to the fact that in each instance the cost of preparing the patterns and working drawings, and of making the first of the devices which were made, was borne by the Government, although the inventive act had been completed before these patterns, working drawings, etc., had been made; but the opinion applies the same rule to all six inventions, whether the devices were relatively elaborate and expensive, or simple and of small cost. It appears from the *Gill* case, therefore, that this court holds that if an inventor, after having made a drawing of his invention, uses the property of his employer in embodying that invention in an operative device, that fact should be taken into account, whether the device cost much or little to construct; and hence the fact in the present case, that the first register which was made, was made entirely at the Government's expense, including the cost of whatever patterns and working drawings were necessary, deserves to be taken into account in determining the circumstances under which the use of these registers by the Government began.

Certainly the findings of fact present a closer resemblance to the facts in *Gill* v. *United States* than appears

from the opinion of the court below. The opinion says that the appellant, unlike Gill, did not offer his invention to the Government officers, and that the Chief of the Bureau took the appellant, "manifestly reluctant to go," before the Secretary of the Treasury with his invention. (Rec., 12.) The findings say, however, that "the claimant *brought* to him [the Chief of the Bureau] the drawings of a device which he had invented" (Rec., 10), and they do not contain a single word to show any reluctance on appellant's part to exhibit his device to the Secretary. His only objection was that he wished nothing done which would hinder his taking out a patent, and, being told that he would not be interfered with in that respect, he made no further objection. It appears from these findings that appellant was quite as ready to have the Government adopt and use his device as Gill had been in his case, saving only that the appellant insisted from the first that he must be secure in his right to take out a patent. There is absolutely nothing in the findings to warrant the inference that the appellant was "manifestly reluctant" to go before the Secretary, but on the contrary the findings indicate perfect readiness on the appellant's part to show his device to the Secretary, provided only this would not interfere with his taking out a patent.

In the *Gill* case Mr. Justice Brown stated the doctrine as to the necessity of notice as follows:

> Clearly, a patentee has no right, either in law or morals, to persuade or encourage officers of

> the Government to adopt his inventions, and look on while they are being made use of, year after year, without objection or claim for compensation, and then set up a large demand, upon the ground that the Government had impliedly promised to pay for their use. A patentee is bound to deal fairly with the Government, and if he has a claim against it, to make such claim known openly and frankly, and not endeavor silently to raise up a demand in his favor by entrapping its officers to make use of his inventions. (*Gill* v. *United States*, 160 U. S., 426, 437.)

In the present case the findings show that the appellant was explicit on one point, viz, that he did not wish anything to interfere with his taking out a patent, but that as soon as he understood that the Government's manufacture and use of the registers would not interfere with his taking out a patent he withdrew all objection. The fact that he raised and withdrew this objection certainly indicates that he had no other objection to make. If he objected to the Bureau's use of his device without payment of royalty, it was his duty to say so. He said at the first, "I wish to obtain a patent for this machine for my individual protection." Why did he not add, "Although you may not be in the habit of paying royalty for the right to use the patented inventions of your employees as long as they remain such, I shall claim royalty for this register. How much will you pay me?" Why did he not ask Secretary Boutwell, "How much will the Government pay me for the right to use these

registers?" Why was he not outspoken when he knew that the Bureau wished to adopt the register for all the presses? Why did he remain silent for over fourteen years? These questions do not admit of any answer that is very creditable to the appellant's intelligence, in view of the finding that he "supposed and understood that he would be entitled to compensation, and that it would be allowed and paid by the Secretary of the Treasury." (Rec., 10.)

This finding only reveals an opinion on the appellant's part which there was absolutely nothing to justify, and which a reasonable man would never have entertained. How could the Secretary allow and pay compensation until some amount had been agreed upon, and how could it be certain that an agreement would be reached when the Secretary had never had the least notice that compensation would be demanded? For all that the appellant knew, a demand for compensation by him would simply have led to the disuse of these registers and the use of others on more reasonable terms. How could he be justified in assuming that his register would have been adopted at all, except on a basis of free license, as long as the Secretary was not informed of the precise amount which was to be paid for its use?

On pages 10 and 11 of their brief, appellant's counsel dwell upon the fact that a patent is "notice to all the world," and the inference suggested is that the mere taking out of the appellant's patent was notice to the Government's officers that they could not use the invention without involving the Government in a

liability for royalty. If this inference be true here, it must have been equally true in the *Gill* case; but this court held that no such inference could exist in that case, and as far as notice is concerned the two cases are absolutely alike, since in neither was any notice whatever given that any royalty would be claimed.

The appellant was perfectly free to give notice of an intention to claim royalty from the Government, had he seen fit to do so.

The findings do not suggest that there was the slighest duress put upon the appellant to require him to allow his registers to be used or to refrain from demanding royalty, and nothing of the sort can be presumed. Overlooking, it would seem, this state of the findings, the opinion of the court below says: "It is painfully apparent that the poor mechanic, in the presence of such powerful employers, feared to speak." (Rec., 12.) In view of what the findings show, this seemingly inadvertent statement of the learned chief justice might have been passed over in silence, but that appellant's counsel have dwelt upon it (brief, p. 14) as if it were not only a fact,[a] but also a sufficient excuse for the appellant's utter failure to notify any of the defendant's officers of his intention to claim royalty, which is going a great deal farther than even the opinion warrants.

[a] Under these circumstances it may be permitted to the counsel for the Government to state that the appellant gave his own testimony as to his perfectly cordial and unconstrained relations with his superiors, and that the court was requested to make a finding on this point, but did not see fit to do so.

In this connection the brief states that the command of a superior to an inferior, that of a master to a servant or of a principal to his agent, may amount to coercion. This may be true, but it is beside the mark, as the findings do not suggest that the appellant ever received any command whatever in regard to this matter of the registers. Moreover the authorities referred to (by volume and page only, not by the titles of the cases) in support of the proposition, in so far as they can be identified by the references,[a] do not support it at all, but one entirely different, viz, that one who commits an offense can not avoid criminal liability therefor by alleging that he acted under the command of another, which is good law, but has nothing to do with the case.

Coercion being out of the question, therefore, it must be conclusively presumed that if the Chief of the Bureau had been notified of a demand for royalty, he would at once have either discontinued the use of the registers or else have made some reasonable agreement for their future use, but the appellant never gave him any opportunity to do either.

The belief of the Government's officers that no royalty would be demanded was amply justified during the whole period of fourteen years and a half before this suit was brought.

The time between the day the appellant first showed his drawings to the Chief of the Bureau and the day

[a] The references to 5 Miss., 304; 14 Ala., 365; and 2 Den. (N. Y.), 341, are evidently erroneous, the cases on those pages having no possible bearing on the effect of a command.

when the former first gave notice (by bringing suit) of an intention to claim royalty, may be divided into three periods, viz: The period before the patent was issued, the subsequent period during which the same Chief of the Bureau remained in office, and the final period when his successors were in office.

As to the construction that a reasonable man in the Chief of the Bureau's place would have put upon what the appellant said and did prior to the issuance of the patent, it must be observed that appellant did not make any direct statement of any intention to demand compensation from the Government, that taking out the patent obviated at once any question as to his right to a patent (a right which delay might, under the circumstances, have clouded), and that there were many outside concerns who might use the device.

The first point has been already sufficiently considered, but the others call for some attention in connection with the appellant's reason for taking out a patent. If the device were one which the Government alone could use, there might be some ground for contending that the mere taking out of a patent was notice of an intention to claim royalty, but in the present case no such contention can be made. The court below has not seen fit to make any findings (though requested so to do) as to the availability of the appellant's device for work done by private concerns, but it is manifest that it is available for registering the number of impressions printed of every kind of paper which expresses value, such as certifi-

cates of stock, corporation bonds, postage stamps, railroad tickets, etc., and it is a matter of common knowledge, a matter of which the court will take judicial notice, that the number of such valuable papers printed was very great at the time the appellant's register was patented, and has continued to increase in volume ever since, including not merely papers for use in the United States, but similar papers and also bank and treasury notes for use in foreign countries. It was therefore evident from the start that the appellant's register was capable of a very extensive use, amply sufficient to justify his taking out a patent, even if he received nothing from the Government.

Seeing then that it was desirable for the appellant to take out a patent, without regard to the use of his device by the Government, it was obviously desirable for him to do so at once. Besides the chance of some one else entering the field, the circumstances under which he had made the device called for prompt action. The Chief of the Bureau had already begun the attempt to devise a satisfactory register; appellant was a machinist in the Bureau's employ, and unless he acted promptly he might have trouble in proving that he had made his invention in his own time and at his own cost; and lastly, the Bureau had borne the cost of first embodying the invention in the form of an operative machine. Under these circumstances, had the appellant delayed to assert his right to a patent, suspicion might have been cast upon it, and it might have been less readily admitted than if asserted at the start.

Hence it was the most natural thing in the world for him to tell the Chief of the Bureau that his (appellant's) acquiescence in the free use of these machines in the Bureau was not to be taken as any admission on his part that he was not the sole inventor and entitled to a patent. Certainly that was what the Chief of the Bureau understood him as saying, and he was wholly justified in so understanding him.

Appellant's counsel contend, however (Brief, pp. 11–12), that the idea that the appellant wished to protect his rights as against outside parties "is opposed to the reasonable presumptions and inherent probabilities of the situation." What has been said above fully answers this contention. It is true that a notice is presumed to apply to the party to whom it is given, but the scope of the application must depend upon the nature of the notice itself. In the present case the appellant simply notified the Chief of the Bureau that he intended to take out a patent, but he withdrew all objection to the use of his registers in the Bureau, as soon as he found that such use would not interfere with his obtaining a patent; and as he never even hinted that he would assert his patent rights as against the use of the registers in the Bureau, the notice could only be understood as meaning that although the appellant permitted the Bureau to make free use of his invention, he had no idea of abandoning it to the public in general.

The statements in the paragraphs marked (*b*), (*c*), and (*d*), on page 12 of the appellant's brief, seem to involve

the contention that the Government's use of the register would be a secret use, of which the outside public would have no knowledge, so that the appellant had no need to protect himself against the public by a patent. This contention is not warranted by the findings, and is opposed to what is matter of common knowledge, viz, that all the Departments, and especially the Bureau of Engraving and Printing, can be visited by the public, and all the machinery used therein can be freely inspected. If an inventor wished to publish his invention to the world with the minimum of trouble to himself, he could not do better than to permit its use by the Bureau of Engraving and Printing.

It is true that a public use of an invention for a period not exceeding two years does not impair the right to a patent (see paragraph marked "*c*"), but, as stated above, the peculiar circumstances under which this particular invention was made rendered it desirable that the inventor should lose no time in making it clear to the world that he was the sole inventor, and thereby avoid trouble in the future.

Appellant's counsel contend (see paragraph marked "*f*") that his consent to the use of the registers, as soon as he was promised the protection of a patent, shows plainly that he understood, "as any rational creature must have understood," that he would be duly compensated for the Government's use of his invention. This conclusion is wholly unwarranted. The appellant asked for no compensation, but merely that his right to a patent should not be interfered with. He obtained

the desired promise that there would be no interference, but he obtained nothing more. If he wished to make use of his patent rights as against the Government, which was beginning to use the registers even before it was certain that he could get a patent at all, it was necessary for him to give explicit notice and not to mislead the Government into an expenditure of a considerable sum in the manufacture of registers which it would not be able to use at all unless it made some satisfactory arrangement with him.

It is true that the finding as to what the appellant supposed and understood (see paragraph marked "*g*," brief, p. 12) negatives any idea, on the appellant's part, of a gift *inter vivos;* but it takes two parties to make a contract, and the further finding as to the totally different understanding of the Government's officers makes it impossible that the parties should have agreed, or could legally be held to have agreed, that any royalty should be paid.

It is clear, therefore, that the appellant's act in taking out a patent was merely evidence that he claimed a property right in his invention and wished to put himself in a position to sell that right to outside parties who might wish to buy it; but this act was not equivalent to notice of an intention to assert that right as against his own employer, the Bureau of Engraving and Printing. Hence in the absence of any such notice it was reasonable for the Secretary and the Chief of the Bureau to suppose and understand that the appellant, being an employee of the Bureau, would

neither expect nor demand remuneration for the use of his device.

Coming to the second period, the six years during which the Chief of the Bureau remained in office after the patent was granted, appellant's continued silence constitutes strong evidence against him. Assuming that he meant the Chief of the Bureau to understand that he wished to be paid a royalty, he would naturally have expected from day to day some action on the latter's part, some discussion of terms, some investigation as to the actual worth of the device, some agreement, and, above all, some regular payment of money. Yet days, weeks, months, and years passed by and appellant never asked the Chief of the Bureau about the expected royalty.

The rule as to the course of action of a reasonable man is the same for both parties. When appellant, after a few weeks or months at most, heard nothing from the Chief of the Bureau about terms of royalty, the former, as a reasonable man, must have reflected that the latter must have got an erroneous impression about the conditions under which the device was to be used, and it then became appellant's duty to correct that wrong impression and to set the Chief right. This the appellant utterly failed to do, thereby confirming, in the most effectual way, the Chief's impression, and justifying it, if it was not justified already. If, at the time the patent was issued, there was any reason for a doubt in the Chief of the Bureau's mind as to appellant's intention to give the

Government a free license, there was no such reason after appellant's long-continued silence. That that silence meant acquiescence in the use of the device by the Government without royalty would, in the mind of any reasonable man, admit of no doubt whatever.

The final period began in February, 1876, when the then Chief of the Bureau resigned, and ended on July 23, 1884, when this suit was brought. The court below has not seen fit to make any finding as to changes in the position of Chief of the Bureau (though requested so to do), but such changes are matters of public notoriety, shown by the published official registers, and it is submitted that the court will take judicial notice of them. (See *York and Maryland R. R. Co.* v. *Winans*, 17 How., 30, 41.) In this case, therefore, judicial notice should be taken of the fact that in February, 1876, a new Chief of the Bureau took office. He had never even promised that appellant's rights should be "protected" by a patent, whatever that may have meant. Granting, for the sake of the argument, that the old Chief of the Bureau needed no further intimation of appellant's intention to claim a royalty, the new superintendent certainly needed to be told something. All that he could see was that appellant's patented register was in use, and that no royalties were paid, a fact most reasonably accounted for by the supposition that as long as the inventor remained in the Government service he claimed no royalty. In this state of affairs appellant remained

as silent as before, and this in spite of the important fact that March 1, 1876, about the time when the new superintendent came in, was just six years after the issuance of appellant's patent. If he had a valid right of suit against the Government, he could lose nothing by delay during those six years except the interest on his judgment. No part of his claim was barred. After the six years expired, conditions changed, and every day of waiting meant the loss of the claim for a day's use of the registers six years before. Reasonable men are not in the habit of foregoing their claims in that manner, and hence appellant's continued silence and inaction was a daily argument against the supposition that he had not consented to allow the Government the free use of his device. Yet this silence and inaction lasted for more than eight years longer.

Under all these circumstances, it is submitted, it was surely reasonable for the successive Chiefs of the Bureau to understand that the United States was to pay no royalty.

What an implied contract really is.

The contention of appellant's counsel indicates a failure to comprehend what is meant by an implied contract, and practically assumes that if *any* circumstances exist from which an offer might be implied, it must be implied without regard to other circumstances, and that the acceptance of that offer follows as a matter of course. It is submitted that no contract can be implied unless all the facts of the case, taken to-

gether, compel the conclusion that the minds of the parties must have met, so that it must have been fully understood by them both that the offer was made and was accepted.

It has been repeatedly held that the mere use of a patented invention by the United States does not imply a contract to pay a royalty. One of the latest decisions on this point is *Russell and Livermore* v. *United States* (182 U. S., 516), where it was held that if the acts of the parties are inconsistent with the idea of their having intended to contract, no contract can be implied, even if the invention is used. The facts of that case differ widely from those of the present, but the fundamental doctrine is the same, viz, that no contract can be implied from circumstances which indicate that the minds of the parties did not meet. In the present case we have an invention made by an employee, embodied in the form of a practical machine at the employer's expense, experimented with at the employer's cost, a patent applied for for the purpose of protecting the inventor, the invention being suitable for use in any plate-printing house where papers representing value were engraved, the employer's adoption of the device, the manufacture of some hundreds of the machines in the shop where the employee was assistant master machinist, the daily use of these machines by the employer for years, the continued retention of the employee in the service, absolute silence on his part for over fourteen years as to any

demand for compensation for the use of his device, while his employer's representatives believed and understood that no royalty was to be paid. Can it possibly be said that the court should imply from these facts that the minds of the employer's representatives and the employee met, at the time of the adoption of the device or at any subsequent time, and that it was agreed between them that a royalty should be paid for the use of the machines so made?

Unless the circumstances were such as to justify a belief that the minds of the parties actually met as to this point, no contract can be implied, for "an implied contract is founded upon a presumed agreement" (*Simpson* v. *United States*, 31 C. Cls. R., 217, 245), to which agreement the United States must be "a party in the same sense in which an individual might be, and to which the ordinary principles of contracts must and should apply." (*Smoot's Case*, 15 Wall., 35, 45). Unless the circumstances would have warranted the implying of a contract as between individuals, they can not warrant it where the United States is a party.

Review of appellant's authorities.

It may be as well to notice the authorities cited in support of the appellant's main contention, as every one of them is easily distinguishable from the present case.

United States v. *Burns* (12 Wall., 246) was not a case of implied contract at all, but of an express contract, where the payment of the stipulated royalty had been stopped under an erroneous idea that the contract was illegal.

Cammeyer v. *Newton* (94 U. S., 225), *James* v. *Campbell* (104 U. S., 356), and *Hollister* v. *Benedict and Burnham Mfg. Co.* (113 U. S., 59) were not suits against the Government, but ordinary infringement suits against Government officers personally, who were, however, held not to have infringed.

In *McKeever* v. *United States* (14 C. Cls. R., 396; affd., 14 Brodix's Am. & Eng. Pat. Cas., 414) a patentee had offered certain patented inventions to an army board, and they had ultimately been adopted. There were no circumstances from which the officers could have believed that the devices could be used without compensation, and it was held that they must have intended that compensation should be paid.

United States v. *Great Falls Mfg. Co.* (112 U. S., 645) was a case of the taking of real estate. Legal proceedings for its condemnation had been begun, but had been abandoned, apparently because it was feared that excessive damages would be awarded. It was held that the obligation to pay reasonable damages was the same as if the legal proceedings had been persisted in. There was no question but that both parties understood each other perfectly, and that the only dispute was over the precise amount to be paid—a state of facts utterly different from that of the present case.

Both this *Great Falls* case and *Great Falls Mfg. Co.* v. *Garland* (124 U. S., 581) undoubtedly recognize that if the Government takes property it is, as a general proposition, liable to the owner for its value. In the present case, however, the property was taken either

under a reasonable belief, due to the appellant's own acts, that there was a free license, or else it was an infringement, which is outside the jurisdiction of the Court of Claims.

In *United States* v. *Palmer* (128 U. S., 262), the circumstances under which the appellee's devices were offered and adopted (one of the devices being already patented at the time of the offer, and the other being then about to be patented, though the patent did not issue until shortly before the adoption, and there being no circumstances from which to imply free license) rendered it impossible that the Government's officers should not have understood from the first that compensation was demanded, and hence a contract was necessarily implied.

In *United States* v. *Berdan Fire Arms Mfg. Co.* (156 U. S., 552) it was perfectly well understood that the patentee would require compensation if his device were used, and the Government's officers agreed that his demand was proper, the only doubt being as to whether the device was actually used, or patentable even if used. It being ultimately held that it was used and the patent valid, the liability to pay followed as a matter of course.

United States v. *Lynah* (188 U. S., 445) was a case of what was held to be the taking of real estate. There was no possible ground for any expectation that compensation would not be demanded, so that the Government's officers must have intended to pay for whatever land was taken, and hence a contract was properly implied.

In every one of the above cases in which a contract was implied it was evident that there must have been an actual meeting of minds, although in some cases the evidence was only circumstantial. In the present case it is found as a fact that the minds of the parties never met, and the reason for this was that the appellant abstained from doing that which, if he wished to contract, he ought unquestionably to have done, viz, to tell the Government's officers plainly that his invention could not be used without pay. Under these circumstances, the idea of implying a contract is little less than preposterous.

Sound public policy requires that the judgment be affirmed.

It will perhaps be contended that the defense in this case is at best technical, and that all doubts should be resolved in the appellant's favor, as it is conceded that the Government has benefited by his invention. Without denying the benefit received, it is submitted that sound public policy is on the side of the defense. The Revised Statutes, sections 3709–3747, regulate the making of public contracts. The intention of Congress is manifest, viz, that all public contracts should as far as possible be made openly, after free competition, with every detail provided for, so as to avoid all misunderstanding and litigation, and to keep the expenses of the Government from being increased by unforeseen demands. Nothing could be more opposed to the whole statute law as regards public contracts, than the making of a contract in the manner

in which the appellant has sought to make one. Judicial legislation has always been condemned, and a judicial contract would merit the same condemnation. It is submitted that what the appellant really seeks is a judicial contract, a contract, that is to say, which was never really made, a contract without any meeting of minds, but which the court is asked to make for him, he having wholly failed to take the proper steps to make it for himself. The appellant had full power and opportunity to make, or at least to offer to make, such a contract as the statutes contemplate should be made. For reasons best known to himself, or for no reason at all, he abstained from taking the necessary steps. Should the present claim be sustained, the statutes in regard to public contracts will be of little value, for if any man can contract with the Government, or extend the scope of a Government contract already made, by implication of law, when the officers concerned sincerely believed that they were assuming no liability on the Government's behalf, the inducements to avoid the hard and fast terms of express contracts, and to leave everything to elastic implication, will be very great indeed. Public policy, therefore, it is submitted, demands that this court should not look favorably upon any attempt, such as the present case involves, to contract by implication and not by express agreement.

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